



Insured Retirement Institute

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The Honorable Harley Rouda
United States House of Representatives
2300 Rayburn House Office Building
Washington, DC 20515

The Honorable Jackie Walorski
United States House of Representatives
419 Cannon House Office Building
Washington, DC 20151

Dear Representatives Rouda and Walorski:

The Insured Retirement Institute (IRI)¹ writes to express our support for the enactment of your bill to amend the Internal Revenue Code to reduce the age for making catch-up contributions to retirement accounts taking in consideration time out of the workforce to provide dependent care services.

Americans today are living longer than ever before and the population of older Americans is anticipated to reach 84 million by 2050. In fact, according to the Society of Actuaries Mortality Tables for a couple aged 65 years, there is an 89 percent chance one will live to age 90. This, in conjunction with a decline in access to defined benefit pensions, has set Americans on the path toward outliving their retirement savings. Further compounding this risk is the cost of out-of-pocket care expenses and lost wages and benefits associated with providing care to a dependent.

Due to illness and disabilities afflicting a family member, many Americans have been left no choice but to provide dependent care. Of the 42 percent of American workers providing dependent care services to a family member, 68 percent have had to prematurely leave the workforce or enter into other arrangements with employers such as cutting back hours.² These arrangements severely impact care providers' ability to save for their own retirement and often lead to a depletion of assets.

¹ The Insured Retirement Institute (IRI) is the leading association for the entire supply chain of insured retirement strategies, including life insurers, asset managers, and distributors such as broker-dealers, banks and marketing organizations. IRI members account for more than 95 percent of annuity assets in the U.S., include the top 10 distributors of annuities ranked by assets under management, and are represented by financial professionals serving millions of Americans. IRI champions retirement security for all through leadership in advocacy, awareness, research, and the advancement of digital solutions within a collaborative industry community. Learn more at www.irionline.org.

² AARP Public Policy Institute, *Understanding the Impact of Family Caregiving on Work* (2012)

Forty-seven percent of dependent care providers have indicated that caregiving expenses have caused them to utilize all or most of their savings.³ Additionally, estimates suggest that if a woman leaves a job to provide dependent care, the loss in wages and retirement benefits total more than \$300,000 over her lifetime.⁴ Caregiving during middle age has shown to substantially increase the risk of a woman retiring into poverty.

Amending the tax code to allow Americans to make catch-up contributions to a retirement account for the number of years they left the workforce to care for a dependent will go a long way to helping Americans save more as well as enable them to retire with financial security and dignity. With 45 percent of the Baby Boomer generation having nothing saved for retirement, it is incumbent that measures be enacted to increase access to retirement savings vehicles.⁵ For the reasons stated above, IRI supports this legislation.

We thank you for your leadership in pursuing this measure to ensure that more Americans can save for retirement. As the House considers this and other retirement security legislation, IRI welcomes the opportunity to work with you and your staff to advance these proposals. Please feel free to contact myself or Paul Richman, IRI's Chief Government and Political Affairs Officer at (202) 469-3004 or at prichman@irionline.org, if we can provide any additional assistance in securing passage of this vital legislation.

We thank you again for your leadership in seeking to help more Americans achieve a financially secure and dignified retirement.

Sincerely,

A handwritten signature in black ink, appearing to read 'W Chopus', with a stylized, cursive-like flow.

Wayne Chopus
President and CEO
Insured Retirement Institute

³ National Alliance for Caregiving and Evercare, *Evercare Survey of the Economic Downturn and Its Impact on Family Caregiving* (2009)

⁴ Forbes, *Caregiving is Forcing Women 50+ To Leave the Workforce* (2016)

⁵ Insured Retirement Institute, *Boomer Expectations for Retirement 2019* (2019)